



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting May 05, 2026

DATE: May 05, 2026
TO: Peter Zaroni, City Manager
THROUGH: Michael Dice, Interim Assistant City Manager
FROM: Arlene Medrano, Executive Director, CCDMD
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Approval of 13th Amendment to the TIRZ #3 Project & Financing Plan

CAPTION:

One reading emergency ordinance approving the thirteenth amendment to the Tax Increment Reinvestment Zone (TIRZ) #3 Project & Financing Plan to create a program specific to the demolition of the 1914 Nueces County Courthouse for total payments of \$2,000,000 to Nueces County, as approved by the Board of Directors of Reinvestment Zone Number Three, City of Corpus Christi, Texas, on May 5, 2026.

PURPOSE:

The purpose of this item is to amend the Project & Financing Plan for Tax Increment Reinvestment Zone (TIRZ) #3.

BACKGROUND AND FINDINGS:

In 2008, the City of Corpus Christi created Tax Increment Reinvestment Zone (TIRZ) #3 in the City's Downtown, adopting a Project & Financing Plan (Project Plan). The Project Plan is required by the State, must include all activities of a Tax Increment Reinvestment Zone, and must be adopted by the municipality by ordinance.

On January 13, 2026 a TIRZ #3 Special meeting was held to discuss the 12th amendment to the Tax Increment Reinvestment Zone (TIRZ) #3 Project & Financing Plan to allow reimbursement to government agencies that participate in the TIRZ #3 for demolition of publicly-owned buildings, not to exceed \$2,000,000.00. The TIRZ #3 Board of Directors approved this item.

On January 13, 2026 a one-reading emergency ordinance was presented to and approved by City Council for the 12th amendment to the TIRZ #3 Project & Financing Plan to allow reimbursement to government agencies that participate in the TIRZ #3 for demolition of publicly-owned buildings, not to exceed \$2,000,000.

On January 27, 2026 the Downtown Development Reimbursement Agreement: TIRZ Member Agency Reimbursement Program Nueces County– Demolition of 1914 Nueces County

Courthouse project was presented to and approved by the TIRZ #3 Board with a recommendation of a reimbursement in three equal annual payments of \$666,667 over three years upon the completion of the demolition and commitment for renewed participation in the TIRZ #3 at 100% from 2029-2032 (5 years).

On April 13, 2026, Nueces County Judge, Connie Scott, provided an email stating that the TIRZ #3 Board approved Agreement did not satisfy their previously stated request that was voted on at the Commissioners Court meeting on October 24, 2025 meeting. As a contributing part to the TIRZ #3, the County has requested the TIRZ #3 Boards reconsideration and would agree to the following:

1. *Payments will be made in two installments of \$1,000,000 due on or before the end of fiscal year 2026 and 2027.*
2. *No other stipulations included, except that the funds would be returned if the building is not demolished – except for monies spent preparing for the demo, engineering, asbestos remediation, etc.*
3. *Would remain in the TIRZ at the current rate [100%] until the end of this contract [Interlocal Agreement] in 2028 [December 31, 2028]. After that, the amounts will be at the same levels as the Island TIRZ (75-70-65-60, etc.) for 10 years.*
4. *Our new policy the Court accepted into the record on 12/10/2025 would be immediately implemented for this current contract as with all future TIRZ. [This request must be considered as part of the Interlocal Agreement, not this Project & Financing Plan Amendment].*

This 13th amendment provides for the Demolition of 1914 Nueces County Courthouse. The amendment to the TIRZ #3 Project & Financing Plan reads as follows:

In order to facilitate the demolition of the 1914 Nueces County Courthouse (Courthouse), Nueces County may be given \$2,000,000, paid in two annual payments of \$1,000,000. If the Courthouse is not demolished by December 31, 2028, Nueces County shall be required to repay \$2,000,000 to the TIRZ less monies spent preparing for the demolition, engineering, or asbestos remediation. In the event the TIRZ is expired, the \$2,000,000, less costs incurred in preparation of the demolition, will be refunded to City of Corpus Christi and Del Mar College District on each respective entity's contribution to the TIRZ in FY 2026 and/or FY 2027. (For example, if City's contributions in FY 2026 are 50% of total TIRZ and Del Mar's contributions are 25%, County shall repay City \$1,000,000 and shall repay Del Mar \$500,000 and will be allowed to keep the remaining \$500,000.).

Tax Code Chapter 311.002.(A) provides that the *capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; **the actual costs of the demolition of public or private buildings;** and the actual costs of the acquisition of land and equipment and the clearing and grading of land; buildings is an allowable project cost and may be added to the Project Plan.*

This amendment will allow the TIRZ #3 to support the demolition of the 1914 Nueces County Courthouse and retain the Nueces County participation in the TIRZ #3 to the end of their Interlocal

agreement with a commitment to renew for 10 years albeit with a decreased participation level equivalent to their TIRZ #2 participation level (75% in Year 1; 70% in Year 2; decreasing 5% annually and stopping at 50%). This amendment will provide an opportunity to remove blight, increase safety and support future development within the TIRZ #3 boundary in a highly traveled and highly visible area of Corpus Christi. The 1914 Courthouse is visible from the Hilliard Center, Whataburger Field, the Port of Corpus Christi, the Art Museum of South Texas and other frequently visited attractions in our city.

The demolition of the 1914 Nueces County Courthouse will be processed under this new initiative because the project sponsor, Nueces County, is a contributing member agency of TIRZ #3 (not a private developer). Accordingly, this request does not follow the standard Downtown Management District (DMD) private-developer TIRZ reimbursement process that has been utilized for prior downtown projects.

DMD relies on legal counsel for TIRZ #3 to confirm review of Tax Code Chapter 311 to determine that the demolition of the publicly owned 1914 Nueces County project constitutes an allowable and eligible use of Tax Increment Reinvestment Zone funds. Legality has been confirmed, but does require an amendment to the TIRZ #3 Project and Financing Plan as noted above.

ALTERNATIVES:

TIRZ #3 Board may choose not to adopt the 13th Amendment to the Project and Financing Plan or to amend the revision as presented.

FINANCIAL IMPACT:

No financial impact.

RECOMMENDATION:

DMD Staff recommends approval of this amendment as presented.

LIST OF SUPPORTING DOCUMENTS:

13th Amendment to TIRZ #3 Amended Project & Financing Plan (Track Changes Version)